

STATE OF SOUTH CAROLINA)
)
(Caption of Case))
)
APPLICATION OF)
IMAGE ACCESS, INC. d/b/a)
NEWPHONE FOR DESIGNATION)
AS AN ELIGIBLE TELECOMMUNICATIONS)
CARRIER)
)
)
)

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2009 - 360 - C

(Please type or print)

Submitted by: Jim R. Dry, President	SC Bar Number:
Address: Image Access, Inc. d/b/a NewPhone	Telephone: 225-214-4412
5555 Hilton Avenue, Suite 415	Fax: 225-214-4401
Baton Rouge, LA 70808	Other:
	Email:

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

<input type="checkbox"/> Emergency Relief demanded in petition	<input type="checkbox"/> Request for item to be placed on Commission's Agenda expeditiously
<input type="checkbox"/> Other:	

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



HASSLE-FREE HOOK UP WITH NO DEPOSIT OR CREDIT CHECK

January 20, 2010

VIA OVERNIGHT DELIVERY

Mr. Charles Terreni
Chief Clerk and Administrator
South Carolina Public Service Commission
P.O. Box 11649
Columbia, SC 29211

Re: Image Access, Inc. d/b/a NewPhone Application for Designation as an Eligible
Telecommunications Carrier (Docket No. 2009-360-C)

Dear Mr. Terreni:

Please find enclosed an original and two (2) copies of the Direct Testimony of Jim R. Dry in support of the Image Access, Inc. d/b/a NewPhone Application for Designation as an Eligible Telecommunications Carrier in the State of South Carolina, in accordance with the Docketing Department's Prefile Testimony Letter dated August 28, 2009. Please file this testimony in the above-referenced docket.

I have enclosed an extra copy of the prefiled testimony to be date-stamped and returned to me in the self-addressed, postage prepaid envelope I have provided.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

Jim R. Dry, President
Image Access, Inc. d/b/a NewPhone

Enclosures

cc: Nanette S. Edwards, Office of Regulatory Staff

**BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

APPLICATION OF)	
IMAGE ACCESS, INC d/b/a)	
NEWPHONE FOR DESIGNATION)	DOCKET NO. 2009-360-C
AS AN ELIGIBLE TELECOMMUNICATIONS)	
CARRIER)	

DIRECT TESTIMONY OF JIM R. DRY

Q: Please state your name and address.

A: My name is Jim R. Dry. My business address is 5555 Hilton Avenue, Suite 415, Baton Rouge, Louisiana 70808.

Q: By whom are you employed and in what capacity?

A: I am the President of Image Access, Inc. d/b/a NewPhone ("NewPhone"). My responsibilities with NewPhone include oversight of the day to day operations of the company. I am also actively involved in planning and development and regulatory compliance.

Q: Please give a brief description of your background and experience.

A: I received my undergraduate degree from Louisiana State University in accounting and became a CPA in January 1991. I have over twenty years of experience in the business community, including 17 years managing in the accounting department of Cajun Electric Power Coop., Inc. In addition, I now have over twelve years experience in owning and operating a telecommunications company, which provides local service in each of the former BellSouth states, including South Carolina.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to demonstrate that NewPhone meets the state and federal requirements for designation as an Eligible Telecommunications Carrier ("ETC") in the State of South Carolina in the BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina ("AT&T") exchanges and service areas of South Carolina (the "Designated Service Area") for the purpose of receiving low-income federal universal service support. A list of each wire center for which NewPhone is requesting ETC status in the State of South Carolina is attached to our application filed in this Docket.

Q: Does NewPhone currently provide telecommunications service in South Carolina?

A: Yes. NewPhone received authority from the South Carolina Secretary of State to conduct business in South Carolina on October 12, 1998. The South Carolina Public Service Commission granted NewPhone authority to provide competitive local exchange telecommunications services on October 26, 1999 pursuant to Order No. 1999-762, and interexchange telecommunications services on November 12, 2004 pursuant to Order No. 2004-564. NewPhone has been successfully providing telecommunications service in South Carolina since being authorized by the Commission. In addition, by Order No. 2009-756 (November 3, 2009), NewPhone was granted flexible regulatory treatment by the Commission.

Q: Does NewPhone currently contribute to the funding for universal service?

A: Yes. Federal regulations require carriers such as NewPhone to contribute a portion of their revenues to the funding of federal universal services.

Q: Is NewPhone presently able to draw from federal universal service funds for the provision of the supported services in South Carolina?

A: No. Until it is designated as an ETC for those areas it serves in South Carolina, NewPhone is not able to receive any federal universal service funds to support its provision of universal services to South Carolina consumers.

Q: By obtaining ETC designation, will NewPhone improve the quality of basic service provided to South Carolina residents?

A: Yes. As required, if NewPhone receives ETC designation, any universal service funding it receives will be used only to support the provision, upgrading and maintenance of NewPhone's residential service offerings where NewPhone is designated as an ETC in South Carolina. As a result, NewPhone will be able to improve the quality of basic service by increasing the availability of this unique service to customers who reside in areas of the state where the service is currently unavailable, due to credit and deposit requirements, and may not be able to obtain the safety and convenience of telephone service from traditional providers.

Q: Will NewPhone's customers experience other benefits as a result of NewPhone's designation as an ETC?

A: Yes. NewPhone is seeking only low-income support and will participate in and offer LifeLine and Link-Up programs to qualifying low-income customers. These programs provide credits that are designed to reduce the cost of providing telecommunications services to eligible consumers, distributed on a per-customer basis, and directly reflected in the price the eligible customer pays. Thus, NewPhone's participation in the LifeLine and Link-Up programs will promote the availability and affordability of telecommunications service for low-income users, which is clearly in the public interest.

Q: Is a competitive local exchange carrier like NewPhone eligible for federal universal service support?

A: Yes. Both the Telecommunications Act of 1996 (the “Act”) and the FCC’s rules establish the directives for the Commission to follow in making an ETC designation. Section 214(e) of the Act specifically provides that any common carrier, including a competitive local exchange carrier such as NewPhone, may be designated an ETC for federal universal service support purposes, provided that the carrier meets the specific criteria set forth in Section 214(e)(1) of the Act, which NewPhone does.

Q: What are the requirements for obtaining ETC designation?

A: The eligibility requirements were recently supplemented by the FCC. The initial requirements established by Section 214(e)(1) of the Act are still in place, and state:

“A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with Section 254 and shall, throughout the service area for which the designation is received:

- (A) Offer the services that are supported by Federal universal service support mechanisms under Section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier); and
- (B) Advertise the availability of such services and the charges therefore using media of general distribution.”

Q: Is NewPhone requesting designation in this proceeding for the study area of any rural LEC in South Carolina?

A: No. NewPhone’s petition requests designation only in the wire centers of AT&T, which have been classified as non-rural.

Q: Does NewPhone currently have an interconnection agreement with AT&T?

A: Yes.

Q: Is it your understanding that NewPhone is entitled to be designated as an ETC if it demonstrates that it is capable of meeting all of the obligations imposed by Section 214(e) of the Act as well as the new requirements established by the FCC’s March 17, 2005 Order?

A: Yes.

Q: The first requirement for ETC designation under Section 214(e)(1) is “common carrier” status. Is NewPhone a common carrier?

A: Yes. NewPhone is a common carrier for purposes of obtaining ETC designation under 47 U.S.C. § 214(e)(1). A common carrier is generally defined in 47 U.S.C. § 153(10) as “any person engaged as a common carrier for-hire” in interstate or foreign communications utilizing either wire or radio technology, except for radio broadcasters.

Q: The second requirement for ETC designation is that NewPhone offer the “supported services.” What are the supported services that must be offered?

A: The FCC has identified the following services and functionalities as the core services to be offered by an ETC and supported by federal universal service support mechanisms, listed in 47 C.F.R. § 54.101(a):

1. voice-grade access to the public switched network;
2. local usage;
3. dual tone multi-frequency signaling or its functional equivalent;
4. single-party service or its functional equivalent;
5. access to emergency services;
6. access to operator services;
7. access to interexchange services;
8. access to directory assistance; and
9. toll limitation for qualifying low-income consumers.

Q: Could you explain each of the supported services and how NewPhone provides, or will provide, these services?

A: Yes. NewPhone presently provides each of the supported services identified by the FCC in 47 C.F.R. § 54.101(a) as follows:

1. *Voice grade access to the public switched network.* “Voice grade access” is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz;

NewPhone meets this requirement by providing voice-grade access to the public switched telephone network (PSTN). Through its interconnection and commercial agreements with AT&T, all customers of NewPhone are able to make and receive calls on the PSTN within the specified bandwidth.

2. *Local usage.* “Local usage” means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users;

Although the FCC requires an ETC applicant to demonstrate that it offers a local usage plan comparable to the one offered by AT&T in the service areas for which the applicant seeks designation, the FCC has not adopted a specific local usage threshold.¹ However, NewPhone offers unlimited local service in the AT&T South Carolina service areas permitting the customer to make an unlimited amount of local calls within his/her local calling area. Thus, NewPhone offers a local usage plan comparable to the one offered by the incumbent LEC in the service area for which it seeks ETC designation in accord with 26 S.C. Code Regs. 103-690 C (4).

3. *Dual tone multi-frequency signaling or its functional equivalent.* “Dual tone multi-frequency” (“DTMF”) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time;

NewPhone provides DTMF signaling to its customers, which is the equivalent of that offered by the incumbent LEC to its customers, via its interconnection and commercial agreements with AT&T.

4. *Single-party service or its functional equivalent.* “Single-party service” is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user’s particular transmission;

NewPhone meets the requirement of single-party service by providing its customers with exclusive use of a wireline subscriber loop for each call placed, through its interconnection and commercial agreements with AT&T.

5. *Access to emergency services.* “Access to emergency services” includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code “911,” to

¹ *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45 (March 17, 2005) at paras. 32 – 34 (“FCC March 17, 2005 Order”).

call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information ("ANI"), which enables the PSAP to call back if the call is disconnected, and automatic location information ("ALI"), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;

NewPhone currently provides all of its customers with access to emergency services by dialing 911 through its interconnection and commercial agreements with AT&T in satisfaction of this requirement.

6. *Access to operator services.* "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;

NewPhone meets this requirement by providing all of its customers with access to operator services provided by AT&T through its interconnection and commercial agreements with AT&T.

7. *Access to interexchange service.* "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;

NewPhone meets this requirement by providing all of its customers with the ability to connect with an interexchange carrier.

8. *Access to directory assistance.* "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and

NewPhone meets this requirement by providing its customers with access to directory assistance.

9. *Toll limitation for qualifying low-income consumers.* Toll limitation service is defined as either "toll control" or "toll blocking" services pursuant to 47 C.F.R. § 54.400(d).

NewPhone provides toll blocking services to requesting Lifeline eligible customers in South Carolina free-of-charge via its interconnection and commercial agreements with AT&T.

Q: Does NewPhone offer the above-referenced supported services via its own facilities or a combination of its own facilities and resale of another carrier's services?

A: Depending on the type of service the customer requests and the precise location of the customer, NewPhone offers the supported services using a combination of resale and unbundled network elements, or unbundled network equivalents ("UNEs"), obtained through interconnection and commercial agreements, consisting of the local loop, ports and transport, provided by AT&T, that allows end-to-end switching and delivery of calls. Consistent with the requirements of 47 C.F.R. § 201(e), these facilities are physical components of the telecommunications network that are used in the transmission or routing of the services for which support is requested. Because these facilities include UNEs, they meet the FCC's definition of "own facilities" established in 47 C.F.R. § 201(f) and thereby make the method by which NewPhone provisions the supported services consistent with the FCC's rules found at 47 C.F.R. § 54.201(d)(1) through (i).

Q: Will NewPhone provide supported universal services once designated as an ETC?

A: Yes. NewPhone will provide all supported universal services once designated as an ETC.

Q: Will NewPhone participate in the LifeLine and Link-Up programs if it is designated as an ETC?

A: Yes. As stated in NewPhone's application, upon certification as an ETC, NewPhone will participate in, and offer, LifeLine and Link-Up programs to qualifying low-income customers and publicize the availability of LifeLine and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services, as required by 47 C.F.R. §§ 54.401-417, 54.405(b), and 54.411(d).

Q: A third requirement for designation as an ETC is to advertise the availability of the supported services. How does NewPhone intend to advertise the availability of the supported services?

A: NewPhone currently advertises the availability of the above-listed services and the charges for those services in the Designated Service Area using media of general distribution, as required by 47 C.F.R. § 54.201(d)(2). Once designated as an ETC, NewPhone will announce and advertise telecommunications services as an ETC where it provides service in its Designated Service Area in South Carolina, and will publicize the availability of LifeLine and Link-Up services in a manner reasonably

designed to reach those likely to qualify for those services. Accordingly, more low-income South Carolina residents will be made aware of the opportunities afforded to them under the LifeLine and Link-Up programs and will be able to take advantage of those opportunities by subscribing to NewPhone's service. NewPhone will also comply with the requirements of 103-690(C) of the Commission's rules, which states that "carriers seeking certification in areas not eligible for High Cost Support from the USF, but seeking ETC designation for the purpose of participation in the LifeLine and Link-Up programs... shall submit a two-year plan that describes the carrier's plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible participants in the LifeLine and Link-Up programs." NewPhone's Advertising and Outreach Plan that describes its plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible participants in the LifeLine and Link Up programs is attached as Exhibit "2" to NewPhone's application in this Docket.

Q: Is NewPhone able to satisfy each of the additional requirements established in the FCC's March 17, 2005 Order?

A: Yes. NewPhone will provide each of the supported services as follows:

1. NewPhone will provide universal service as an ETC in all of its Designated Service Area. Under FCC guidelines, where applicable, an ETC applicant must commit to provide service throughout its proposed designated service area to all customers making reasonable requests for service. (FCC March 17, 2005 Order, at para. 22; 47 C.F.R. § 54.202(a)(1)(i)). NewPhone commits to provide service throughout its proposed ETC-Designated Service Area to all customers making reasonable requests for service. *See, 26 S.C. Code Regs. 103-690 C (1).*
2. Under FCC guidelines, where applicable, an ETC applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed Designated Service Area. The only circumstance warranting deviation from its requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" federal universal service support, but only "low income" federal universal service support. Because NewPhone seeks ETC designation solely for purposes of reimbursement for provision of subsidized LifeLine and Link-Up services to eligible customers in South Carolina, submission of a Five-Year Network Improvement Plan is not required at this time. However, because LifeLine support is designed to reduce the monthly cost of telecommunications services for eligible consumers, and is distributed on a per-customer basis and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide LifeLine services to consumers. Thus, designating NewPhone

as ETC herein will promote LifeLine and the availability of telephone service to low income users, advancing the public interest.

3. Under FCC guidelines, where applicable, an ETC applicant must demonstrate its ability to remain functional in emergency situations: (47 C.F.R. § 54.202(a)(2); FCC March 17, 2005 Order, at para. 25, the “FCC ETC Order”). Because NewPhone is providing service to its customers through the resale of AT&T’s service and/or through the use of facilities leased from AT&T in South Carolina, this arrangement allows NewPhone to provide to its customers the same ability to remain functional in emergency situations as currently provided by AT&T to its own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. *See, 26 S.C. Code Regs. 103-690 C (2).*
4. NewPhone complies and will continue to comply with all applicable consumer protection and service quality standards in South Carolina. *See, 26 S.C. Code Regs. 103-690 C (3).* Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. 47 CFR 54.202(a)(3). As part of its certification requirements for providing local exchange services, NewPhone will abide and satisfy all such service quality and consumer protection rules under 103-690 C (a)(1)(C)(3), including filing quality of service reports with the Commission. NewPhone agrees to include in its quarterly Service Quality Report the number and justifications of applications held for more than 30 days and the number and justifications of applications there were denied. In addition, NewPhone commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC ETC Order. NewPhone in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.
5. NewPhone offers a local usage plan which includes unlimited local calling as set forth in its tariff, which is comparable to the local usage plan offered by AT&T in the Designated Service Area. *See, 26 S.C. Code Regs. 103-690 C (4).*
6. NewPhone acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access with the Designated Service Area. *See, 26 S.C. Code Regs. 103-690 C (5).*
7. As relevant to the Commission’s public interest inquiry, NewPhone’s presence will provide the benefit of increased customer choice in the

Designated Service Area, as NewPhone's service offering is unique and serves a specific sector of the public who might well not otherwise have wire telephone service. NewPhone will pass through all applicable state and federal service discounts and mandated service support to its LifeLine and Link-Up customers, thus reducing the price of access to telecommunications services for these eligible customers in South Carolina.

8. NewPhone does not seek designation below the study area level of a rural telephone company, and therefore no "cream-skimming" analysis is required. Likewise, NewPhone does not seek designation as an ETC for any part of tribal lands. Therefore, the public notice requirements established by the FCC for tribal lands do not apply.

Q: In what service areas is NewPhone seeking designation as an ETC?

A: Pursuant to 47 C.F.R. § 54.207(a), a "service area" is a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms." For service areas served by non-rural ILECs such as AT&T, there are no restrictions on how a Commission defines the "service area" for purposes of designating a competitive ETC. NewPhone has requested ETC designation in wire centers located throughout the service area of AT&T, a non-rural carrier, as set forth in Exhibit "1" to NewPhone's application in this Docket.

Q: Does NewPhone provide telecommunications service throughout the non-rural ILEC service areas for which it seeks ETC designation?

A: Yes.

Q: Before designating NewPhone as an ETC, is the Commission required to find that the designation is in the public interest?

A: Yes.

Q: How, and in what terms, will NewPhone's presence as an ETC in South Carolina affect the market as a whole and the public interest in general?

A: Designating NewPhone as an ETC will serve the public interest and the market as a whole by promoting additional deployment of NewPhone's unique local service. NewPhone's customers generally have poor credit and have had service disconnected by AT&T or a competitive carrier because of unpaid bills. These consumers may be without telephone service because of an inability to bring their accounts current and comply with other requirements for being reconnected to the telephone network, such as the payment of a deposit and/or reconnection fee. NewPhone removes significant barriers to telephone subscribership by providing service to all LifeLine and Link-Up

eligible consumers within its Designated Service Area of South Carolina without credit checks or the posting of a deposit, and despite the customer having been disconnected by another carrier. NewPhone, therefore, provides affordable alternative service to these low-income customers.

In addition, a central purpose of the Act is to “promote competition and reduce regulation... [thereby securing] lower prices and higher quality service... and encourage the rapid deployment of new telecommunications technologies.”² Designation of NewPhone as an ETC would further these goals. Granting ETC status to NewPhone would allow NewPhone to obtain federal low-income universal service support, which it will use to offer innovative telecommunications services at competitive prices to consumers in the Designated Service Area.

Q: If NewPhone’s application is granted, will there be any financial impact on the universal service fund or the federal universal service fund surcharge that South Carolina end users pay?

A: No. The amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as NewPhone or the ILEC operating in the same service area. As such, designation of NewPhone as an ETC will not create any financial impact on the universal service fund, the federal universal surcharge that South Carolina end users pay, or an increase to the State of South Carolina or its political subdivisions.

Q: Has NewPhone been granted ETC status by any state commissions?

A: Yes. NewPhone has been designated an ETC for the purpose of receiving federal low-income support in the following states: Alabama, Louisiana, Mississippi, North Carolina, and Tennessee. In addition to NewPhone’s ETC application in South Carolina, NewPhone also has a pending application for designation as an ETC in Florida.

Q: Has NewPhone been audited by USAC, or any other entity, pertaining to LifeLine and Link-Up?

A: No.

Q: Does NewPhone agree to comply with all Commission rules and regulations regarding ETCs, including those set forth in Docket No. 2006-37-C?

A: Yes. NewPhone hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon NewPhone’s provision of service contemplated by its ETC application.

² Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, 56 (1996).

NewPhone has requested ETC designation in wire centers located throughout the South Carolina service area of AT&T, a non-rural carrier. Additionally, NewPhone has limited its requested universal service fund support to the federal low-income support program. NewPhone certifies that all low-income universal service support funding it receives will be used to provide a credit to its LifeLine and Link-Up eligible customers, consistent with 47 C.F.R. § 54.403.

NewPhone agrees to include, in its quarterly Service Quality Report, the number and justification of applications held for more than 30 days and the number and justification of applications that were denied. NewPhone will only seek direct low income support from the federal universal service fund for those lines provided through the use of its own facilities or through a combination of its own facilities and the leased facilities of another carrier. NewPhone agrees to utilize the same qualifying criteria for LifeLine and Link-Up as is offered in the AT&T territory (eligibility for TANF, Food Stamps, and Medicaid). NewPhone agrees that it will abide by all advertising, reporting, and verification requirements established by the FCC and the Commission.

NewPhone shall comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements.

Q: Explain how NewPhone's rates and charges are comparable to AT&T rates and charges in South Carolina.

A: NewPhone agrees to provide LifeLine customers an additional \$3.50 credit in order that the federal matching monies can be maximized. This will yield a LifeLine credit of \$13.50 per month which is consistent with the credit offered throughout the AT&T service area.


Also, should NewPhone seek designation as an ETC for high cost support, NewPhone will file an additional and separate application with the Commission that addresses all applicable state and federal laws, rules and regulations, including but not limited to, an appropriate build-out plan that includes the use of its own facilities in addition to those obtained through commercial agreements to provide services to un-served areas.

With its application filed in this Docket, NewPhone has submitted a two-year plan that describes the carrier's plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible participants in the LifeLine and Link-Up programs.

Q: Does this conclude your testimony?


A: Yes.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Jim R. Dry, President
Image Access, Inc. d/b/a NewPhone

Subscribed and sworn to me this 19th day of January, 2010.



Paul F. Guarisco, Notary Public
Louisiana Bar Roll No. 22070
My Commission expires _____
State of Louisiana
Parish of East Baton Rouge

Paul F. Guarisco
Bar Roll No. 22070
Notary Public, State of Louisiana
My Commission is for Life